

BUSINESS FORECAST

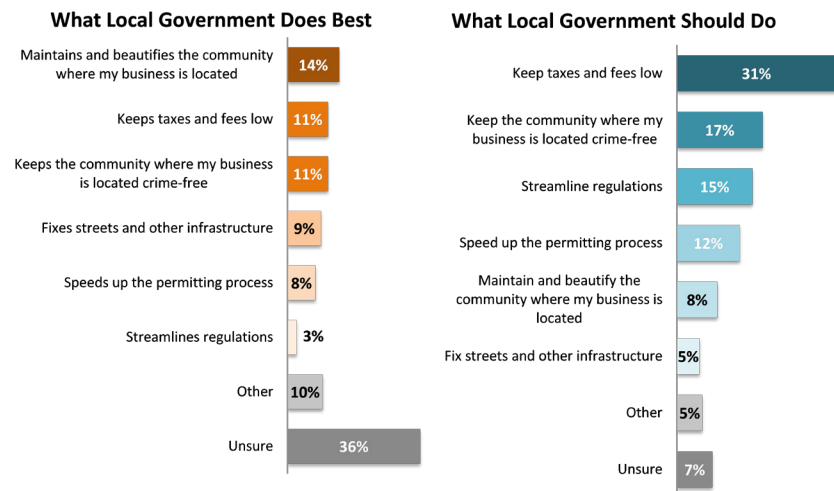
Keeping Taxes and Fees Low Tops County Businesses' Wish List for Government

Thirty-one percent of businesses want government to keep taxes and fees low, but only 11 percent say government is delivering

SAN DIEGO (June 15, 2015) – City governments want their local businesses to succeed and business could use their local government’s help to do that. This month’s Business Forecast, sponsored by Silvergate Bank, reports that 31 percent businesses want their local government’s priority to be keeping taxes and fees low. Yet only 11 percent of businesses surveyed say that is what their local government does best.

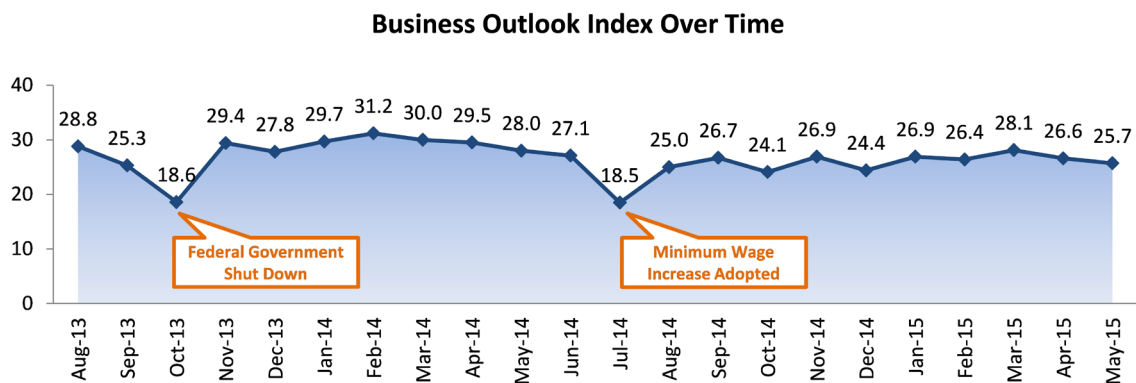
“Representing more than 2,500 businesses throughout San Diego County, what we hear time and again is that businesses want their government to help them grow and succeed,” said Jerry Sanders, President and CEO of the San Diego Regional Chamber of Commerce. “This is why we fight for the policies and candidates who will help make San Diego the most business-friendly region in California.”

While taxation and fees top the list when it comes to what government ought to be doing to help businesses, only 11 percent of businesses overall say that their local government is truly delivering. This 20 percent deficit reflects a wide gulf between what firms feel they need and what they actually get when it comes to taxes and fees.



When it comes to what local government is doing best to help businesses succeed, the top item is maintaining and beautifying the community. Yet, because 14 percent of all companies say maintenance and beautification is what government does best, 6 percent more business people see local government succeeding than feel it's the main thing worth doing. This is a service area where local governments over-perform.

Overall, the business outlook for San Diego County remains steadily positive with the Business Outlook Index (BOI) at 25.7, in line with last month's 26.6. Since August of 2014, San Diego County's BOI has travelled in a narrow four-point band, never dropping below 24.1 or rising above 28.1. This steady positivity is not quite as robust as what was measured during an eight month period between November 2013 and June 2014. Then, the BOI floated between 27.1 and 31.2. The current stretch, if not quite as strongly optimistic, has now proved to be longer lasting.



“As a local community bank, we’re glad to see such a steady positive outlook from the business community. It is a welcomed and encouraging sign for an economy that is still largely in recovery mode,” said Dino D’Auria, Executive Vice President and Chief Banking Officer at Silvergate Bank.

By region, East County and North Coastal businesses saw a return to normalcy this month after reporting significantly decreased BOI’s last month. For East County, the BOI had flatlined last month, but now has rebounded to settle in line with the rest of the County. Those in the North Coastal area also recovered this month, landing above the overall County BOI.

The survey also shows that larger firms are far more likely to be hiring this summer than medium or micro businesses. Firms with fewer than 50 employees may be hesitant to add workers and push through the threshold mandated by the Affordable Care Act (aka Obamacare).

Silvergate Bank’s San Diego County Business Forecast is a scientific look at where our region’s economy is headed. The survey for this month’s installment was fielded May 18-30, 2015 by Competitive Edge Research using responses from 201 randomly-selected members of the San Diego, East County, Alpine, Escondido, Lakeside, Vista, and Santee Chambers of Commerce. Visit www.sdchamber.org/forecast to see this month's full Forecast or previous San Diego County Business Forecasts.

About The San Diego County Business Forecast

The San Diego County Business Forecast is a monthly report that compiles insights and analysis on survey responses from local business executives from the San Diego Regional, East County, Alpine, Escondido, Lakeside, Santee and Vista Chambers of Commerce. It is sponsored by **Silvergate Bank** and conducted by **Competitive Edge Research**. Non-profit organizations are excluded from the

results and all members are invited to complete the survey either online or over the phone. The Business Outlook Index™ (BOI) is comprised of four self-reported assessments regarding the next three months: Will a respondent's business increase or decrease its number of employees, experience an increase or a decrease in revenue, increase or decrease the number of hours its employees work, and experience an improvement or a worsening of business conditions. For each assessment, definite and positive responses are scored 100, probable and positive responses are scored 50, neutral responses are scored 0, probable and negative responses are scored -50 and definite and negative responses are scored -100. The scores are summed and divided by 4 to get a range for the BOI of -100 to +100, with zero being a neutral outlook. Visit www.sdchamber.org/forecast to see this month's full Forecast or previous San Diego County Business Forecasts.

About Silvergate Bank, Business Banking Redefined

For over 25 years, as a San Diego based community bank, Silvergate provides a rewarding banking experience where the client's needs always come first. Our business banking experts listen to needs and work to provide customized solutions to support your company's growth and profit objectives. Our bankers are committed to superior responsiveness, local decision making, and the agility that allows our clients to choose the way they want to bank with us. To learn more, visit www.silvergatebank.com or contact Dino D'Auria at ddauria@silvergatebank.com.

About The San Diego Regional Chamber

The San Diego Regional Chamber is the hub for connections and collaboration among the regional business community, and uses that clout to advocate for public policies and candidates that support economic growth and the creation of jobs for all businesses. As the largest Chamber on the West Coast, representing more than 3,000 businesses and 400,000 employees, the San Diego Regional Chamber is fighting to make San Diego the most business-friendly region in California. For more information, please visit SDChamber.org or call 619-544-1300.